

SYN. NO. _____

AGN. NO. _____

MOTION BY SUPERVISOR ZEV YAROSLAVSKY

SEPTEMBER 26, 2006

On September 21, 2004, this Board approved the sale of a surplus County-owned property located at 5026 Santa Monica Boulevard to Hollywood Community Housing Corporation (HCHC) for its fair market value of \$1,500,000. The sale was conditioned upon HCHC receiving the required jurisdictional and financial approvals to build a mixed-use project with some retail and at least 50 units of housing affordable to persons of very low income within two years. The County granted HCHC a short-term loan secured by a deed of trust in the amount of \$1,495,000 at seven percent interest that will be due and payable on September 23, 2006. HCHC has made considerable progress in obtaining the required approvals, and has secured all but one of the necessary financial commitments and made significant progress in their efforts to obtain building permits from the City of Los Angeles, but additional time is needed to complete the approval process.

HCHC's failure to obtain all necessary governmental approvals and financing as of July 30, 2006 triggered an ongoing option for the County to repurchase the property and a right for HCHC to require the County to repurchase the property pursuant to an Option Agreement which is secured by the deed of trust, as is the Agreement of Purchase and Sale and Restrictive Covenant and Regulatory Agreement.

MOTION

MOLINA _____

BURKE _____

YAROSLAVSKY _____

KNABE _____

ANTONOVICH _____

THEREFORE, AS AUTHORIZED BY GOVERNMENT CODE SECTION

25539.4, I MOVE THAT THIS BOARD:

1. Find that the amendment of an existing promissory note does not constitute a project under the California Environmental Quality Act and the Los Angeles County Revised Environmental Document Reporting Procedures and Guidelines.
2. Authorize the CAO to draft a note extension for a period of not more than 120 days in the form of an amendment to the note, including:
 - a statement that the Option of Purchase, Agreement of Purchase and Sale and Restrictive Covenant and Regulatory Agreement remain unchanged and in full force and effect, and subject to HCHC providing County with an endorsement to its title policy insuring against a loss of priority,
 - and upon approval by County Counsel, instruct the Mayor to execute it.
3. Authorize the CAO to negotiate and approve on behalf of the County any other related documents or agreements required to allow HCHS to meet the conditions originally imposed by the County, subject to approval by County Counsel.